

"That whenever (1) any disbursing officer of the Army, Navy, Air Force, or Marine Corps incurs or has incurred a physical loss or deficiency of any Government funds, vouchers, records, or papers in his charge and (2) the Secretary of the department concerned determines that such loss or deficiency occurred while the officer was in line of his duty and that such loss or deficiency occurred without fault or negligence on his part, the General Accounting Office shall relieve such officer of the liability for such loss or deficiency, or authorize the reimbursement, from any appropriation or fund made available for that purpose, of amounts paid by or on behalf of such officer in restitution of such loss or deficiency. Any determination made by the Secretary of the department concerned under this Act shall be conclusive upon the General Accounting Office. No relief may be granted under this Act with respect to any deficiency in the accounts of any disbursing officer which results from any illegal or erroneous payment. This Act shall not deprive any disbursing officer of any right which he otherwise may have to obtain relief by any other means with respect to any loss or deficiency covered by this Act."

(b) No reimbursement shall be made under the amendment made by subsection (a) for any loss or deficiency occurring before the date of enactment of this Act.

Repeal.

SEC. 3. The second paragraph under the heading "Pay, miscellaneous", of the first section of the Act of July 11, 1919 (41 Stat. 132, as amended; 31 U. S. C. 105) is hereby repealed.

Approved August 11, 1955.

Public Law 366

CHAPTER 804

August 11, 1955
[H.R. 7300]

AN ACT

To amend the Internal Revenue Code of 1954 with respect to the tax treatment of income received from patent infringement suits.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part I of subchapter Q of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by renumbering section 1304 as section 1305, and by inserting after section 1303 the following new section:

68A Stat. 336.
26 USC 1304.

"SEC. 1304. COMPENSATORY DAMAGES FOR PATENT INFRINGEMENT.

"If an amount representing compensatory damages is received or accrued by a taxpayer during a taxable year as the result of an award in a civil action for infringement of a patent issued by the United States, then the tax attributable to the inclusion of such amount in gross income for the taxable year shall not be greater than the aggregate of the increases in taxes which would have resulted if such amount had been included in gross income in equal installments for each month during which such infringement occurred."

(b) The table of sections for such part I is hereby amended by striking out

"Sec. 1304. Rules applicable to this part."

and inserting in lieu thereof the following:

"Sec. 1304. Compensatory damages for patent infringement.

"Sec. 1305. Rules applicable to this part."

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years ending after the date of the enactment of this Act, but only with respect to amounts received or accrued after such date as the result of awards made after such date.

Approved August 11, 1955.